GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA

UNSTARRED QUESTION NO:6259
ANSWERED ON:12.04.2017
Subsidy for Rural Landline Connections
Hari Shri G.

Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether the Government has decided to provide the BSNL Rs. 1250 crore subsidy for rural landlines and if so, the details thereof;

(b) whether the BSNL would get no more subsidy from the Government on this account and if so, the reasons therefor;

(c) whether the BSNL was paid a total subsidy of Rs. 8692 crore from USOF for providing telecom services in rural and backward areas; and

(d) if so, the details thereof?

Answer

THE MINISTER OF STATE (IC) OF THE MINISTRY OF COMMUNICATIONS &
MINISTER OF STATE IN THE MINISTRY OF RAILWAYS
(SHRI MANOJ SINHA)

(a) & (b) On 21.09.2016, the Cabinet had approved subsidy support of Rs.1250 Crores for the period from 18.07.2012 to 17.07.2013 to Bharat Sanchar Nigam Limited (BSNL) from Universal Service Obligation Fund (USOF) as compensation for deficit incurred in operating Rural Landline connections installed prior to 1st April, 2002. The Cabinet had also approved that no further request from BSNL for financial/subsidy support from USOF on this count shall be considered. The subsidy of Rs.1250 crores has been paid to BSNL in the month of March, 2017.

(c) & (d) A sum of Rs. 8,692 Crore was paid as subsidy for compensation to BSNL from USOF for Rural Landline connections installed prior to 1st April, 2002. In addition an amount of Rs. 1250 crore has also been paid to BSNL in March, 2017. The details of Rs. 8692 crore subsidy disbursed to BSNL are as follows:

i) Rs. 1,192 Crore for the period 01.04.2002 to 31.01.2004 was paid as the difference between regulated rental and actual rental.

ii) Rs. 6,000 Crore at the rate of Rs. 2,000 Crore per annum for the period 18.07.2008 to 17.07.2011.

iii) Rs. 1,500 Crore for the period 18.07.2011 to 17.07.2012.

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